

INTERCITY TRANSIT
Thurston County, Washington
January 1, 1993 Through December 31, 1993

Schedule Of Findings

1. Intercity Transit Should Avoid Conflicts Of Interest

During the current audit, we noted several transactions between Minuteman Press and Intercity Transit. Minuteman Press is partially owned by the transit's director of operations. During three separate months, the dollar volume exceeded \$750 as noted in the table below:

<u>Month/Year</u>	<u>Amount</u>
December 1993	\$ 810.61
March 1994	973.18
April 1994	1,453.40

RCW 42.23.030 states:

No municipal officer shall be beneficially interested, directly or indirectly, in any contract which may be made by, through or under the supervision of such officer. . . Provided, That the total volume of business represented by such contract or contracts in which a particular officer is interested, singly or in the aggregate, as measured by the dollar amount of the municipality's liability thereunder, shall not exceed seven hundred fifty dollars in any calendar month. . . .

The director of operations did not direct any business to Minuteman Press. However, due to his ownership interest in the printing company he is deemed to have a beneficial interest under the provisions of RCW 42.23.030.

Management was only vaguely aware of the provisions which limit a municipal officer from having direct or indirect beneficial interest in contracts with the municipality.

We recommend that Intercity Transit not enter into any contracts directly or indirectly with its officers which exceed \$750 per month and that all employees involved in the purchase of goods and services be made aware of the provisions of RCW 42.23.030.